



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



MARIANNE UDOW
DIRECTOR

December 27, 2005

Detroit News Editor

Over the past several weeks there has been much debate about reforming Michigan's welfare system. The Governor has made it clear that wherever possible, public assistance should be temporary with a goal of helping people become self-supporting and able to take care of themselves and their families. She was equally clear that the system must also protect those most vulnerable in our state – including the more than 157,000 children who are in families with parents receiving public assistance. Although the welfare reform bills passed by the legislature on December 12, 2005, did include many positive measures, especially additional training, education, and workplace supports, the bills were too punitive towards vulnerable families who continue to face serious barriers to employment.

Those who are on welfare today are fundamentally different from those who were in the system ten years ago. In 1994, there were over 660,000 people receiving welfare in Michigan. Today, there are less than 240,000. Of those 240,000, only 83,000 are adults; the remaining 157,000 are children. Ten years ago, single adults could be eligible for assistance. Today, only individuals who have children and less than \$3,000 in assets are eligible for welfare. Ten years ago, the monthly cash grant of \$459 for a family of three – just \$5,500 a year – brought the family to 47 percent of the federal poverty level. Today, the monthly cash grant is still \$459, but brings that family of three to just 36 percent of the federal poverty level. To be eligible for cash assistance today, you must be not just in poverty, but truly destitute.

No one stays on welfare as a matter of choice. Some families are in the system just briefly, to get them through a difficult time and back on their feet. Others – those who have been unable to get off and stay off welfare - face difficult and daunting barriers to independence. Welfare recipients on long term assistance in today's welfare system include those who are disabled or caring for a disabled family member, suffering from mental health or substance abuse issues, functionally illiterate, or victims of domestic violence. Even with these and other barriers, more than one fifth of our long time welfare recipients are working. However, they are working for such low wages that they continue to meet eligibility levels for cash assistance.

The bills passed by the legislature would have imposed a lifetime limit on those receiving cash assistance, even if they were doing all they could to become independent. Families would be allowed 48 total months of benefits, cumulative over a lifetime. The limit would apply to all: children living with an adult who had exceeded the four years; mothers who are working at such low wages their families remain in poverty; the

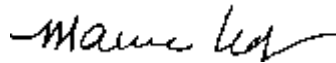
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unemployed who lack basic literacy and employment skills, and those struggling with mental illnesses that make it difficult to sustain employment.

Because of the harshness of these bills and her commitment to helping the most vulnerable, on Tuesday, December 27, Governor Granholm vetoed six of the bills in the December 12, 2005 welfare reform package. In her veto message, she reiterated her support for expanded education and training opportunities, positive incentives for work, and strengthened sanctions. In the Granholm administration, our goal is to reduce poverty, not to increase it. Our goal is to help strengthen the skills and abilities so families can become independent, not to throw the most vulnerable onto the streets and further burden already struggling local governments. Our goal is to assure that we help break the generational cycle of welfare by giving our children an equal opportunity to succeed. We look forward to continuing to work with the legislature to reach these goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Marianne Udow". The signature is fluid and cursive, with a long horizontal stroke at the end.

Marianne Udow